

With Rep. Peter Welch's support, the U.S. House on Wednesday passed sweeping legislation to rein in Wall Street, put an end to bank bailouts and protect consumers from risky financial products.

By a vote of 237-192, the House passed the Dodd-Frank Wall Street Reform and Consumer Protection Act (H.R. 4173), which responds to the economic collapse of 2008 by restoring responsibility, accountability and transparency to financial markets.

"This legislation prohibits the risky Wall Street practices that led to the near collapse of the American economy. Big banks and predatory lenders will no longer have license to gamble our economic security for their financial gain," Welch said.

H.R. 4173 reforms Wall Street practices by:

- Creating a consumer financial protection authority to protect and empower consumers against unscrupulous financial practices. Housed at the Federal Reserve, the bureau will ensure that consumers get clear and accurate information about mortgages, credit cards and other financial products, protecting them from hidden fees, abusive terms and deceptive practices.
- Ending 'too-big-to-fail' bailouts by creating a safe way to unwind and liquidate failed financial firms. Tough new capital and leverage requirements will make it undesirable for banks to grow too large and complex, while regulators will be empowered to reduce systemic risks to the economy.
- Increasing transparency and accountability for exotic instruments by eliminating loopholes that allow risky and abusive practices to go unnoticed and unregulated.
- Toughening enforcement and oversight of existing regulations by empowering regulators to aggressively pursue financial fraud, conflicts of interest and manipulation of financial markets by special interests.

Last week, Welch and Senate Majority Whip Dick Durbin successfully fought to include in the bill new protections for small businesses against credit card industry abuses. The Durbin-Welch amendment empowers the Federal Reserve to crack down on out-of-control fees merchants pay every time a customer pays with a debit card. The amendment also allows small businesses to offer discounts to those paying in cash and set a \$10 minimum for credit card purchases.

The credit card provisions are based on two bills Welch introduced in the House after hearing about excessive swipe fees from Vermont grocers, country store owners and gas station operators. The amendment was supported by Sen. Patrick Leahy, who as a member of the conference committee responsible for merging the bills, fought vigorously for the reforms.

"When this bill is signed into law, Vermont small business owners can be proud that their efforts to stand up to the credit card industry were successful. Their call for reasonable rates and fair treatment was heard, and small business owners throughout the country will benefit," Welch said.

H.R. 4173 will now go to the Senate for final consideration.